INFORMATION LETTER

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NARGUS Recommendations on Price Spots

Recommendations on "price spots" on canned foods and other grocery products are being widely publicized by the National Association of Retail Grocers and are being offered for consideration by food processors and other food suppliers.

The recommendations were developed by the N.A.R.G.U.S. Merchandising Committee and approved by its Executive Committee. The same recommendations were approved a few weeks ago by the Inter-Industry Food Packaging Committee.

Following are the recommendations with regard to price spots on canned foods:

"Where possible, the spot should be 1 inch in diameter.

"On single layer pack (cans), price spot should be on top center.

"On multi-layer packs, price spot should be on top and bottom (center), or on top if two layer pack to be opened by 'zipper' method and top layer is packed upside down.

"There should be no 3 or 4 layer packs of canned items, but if so, price spot should be on both top and bottom center."

Also, with respect to all products:

"Manufacturers of food and grocery products are requested to package merchandise so the price spot is visible immediately on opening the case. Instructions for opening should be on the outside of cases and in legible type."

N.C.A. Laboratory Personnel Conduct Summer Field Studies

Staff members of the N.C.A. Washington Research Laboratory will conduct field studies in several locations in the East and Midwest throughout the summer.

Although engaged primarily in planned research projects, N.C.A. laboratory personnel will be available to assist any canner in the general area that may have problems of a technical nature. Contact with field crews can usually be established quickly by telephone or letter through N.C.A. headquarters in Washington.

Sam Ebbert of the Waste Disposal Section will be in Plymouth, Wis., until mid-October. Robert A. Canham will be at the same location until July 20. From July 25 through August 9, Mr. Canham will visit plants in Maryland, Delaware, New Jersey, Pennsylvania, New York, and Virginia, and will then return to Plymouth, Wis., until September 15.

Members of the Bacteriological Division are currently operating from the N.C.A. Mobile Laboratory in Bridgeville, Del., where they are conducting surveys on asparagus and green bean lines in several plants in that area. The Mobile Laboratory will be moved in the latter part of July to Wyoming, Del.

The information being collected in these surveys will assist the N.C.A. Processing Committee in its consideration of possible process reductions for quality sensitive products. Post-cooling operations are also under bacteriological study.

Study of Flume System

Significant savings in labor and other costs are possible in potato storage and packing houses by using water-filled flumes or sluices to move bulk-stored potatoes from bins to the packing line, according to a report by the USDA.

The report describes potato fluming tests at the Red River Valley Potato Research Center, East Grand Forks, Minn., by USDA marketing researchers. They found, in addition to cost savings, that fluming was beneficial to the washing operation and did not result in serious damage to the potatoes.

Copies of the report, *Flume Systems for Handling Bulk-Stored Potatoes* (Marketing Research Report No. 177), may be obtained from the Office of Information, U. S. Department of Agriculture, Washington 25, D. C.

Refund of Excise Tax on Motor Fuels

Procedures for obtaining refund of federal excise taxes paid on motor fuels for nonhighway use are explained in two pamphlets issued by the Internal Revenue Service.

Under the Highway Revenue Act of 1956 the federal excise tax on gasoline, diesel fuel, and special motor fuels was increased from 2 to 3 cents a gallon, effective July 1, 1956. Provision was made, however, for the Internal Revenue Service to refund this 1-cent increase in the case of motor fuels used other than in a registered highway vehicle.

In general, those who qualify must file a claim on Form 843 during the period from July 1 through September 30 in order to obtain a refund. Claims must be filed with the District Director of Internal Revenue for the claimant's district. Refunds are limited to motor fuels on which the increase in tax has been paid and which were consumed during the one-year period July 1, 1956, through June 30, 1957, for nonhighway uses.

Procedures for obtaining refund of this tax are described in *IRS Publication No. 378*. This pamphlet does not cover the procedures for refund of the federal tax on gasoline and other fuels used for farming purposes; this is described in *IRS Publication No. 308*. Both are obtainable from the District Director of Internal Revenue.

Lives of Depreciable Property

The deadline for submission of views regarding Bulletin "F" has been extended by the Internal Revenue Service to August 31.

The IRS announced earlier in the year that it would undertake a study of the useful lives of depreciable property contained in the 1942 edition of Bulletin "F" (see INFORMATION LETTER of March 9, page 118).

All suggestions are being reviewed by a five-member advisory group.

Wholesale Distributors' Stocks of Canned Foods

A report on stocks of 20 canned foods in the hands of wholesale distributors on June 1 has been issued by the Bureau of the Census, U. S. Department of Commerce.

Vegetables—Distributors' stocks of canned corn, peas, green and wax beans, and sauerkraut were reduced 1 to 12 percent below year-ago levels.

Distributors' stocks of canned corn were only 50,000 cases below June 1 a year ago, but canners' stocks were up 4,674,000 cases. Green and wax bean stocks declined both at the wholesale and canner level on June 1 compared with a year earlier.

Fruits—Canned fruits showed mixed trends. Increases over June 1 a year ago were reported for canned apples, fruit cocktail, grapefruit segments, peaches, pears, and plums; while distributors' stocks were reported lower for applesauce, apricots, RSP cherries, sweet cherries, and pineapple.

Most items reflected a similar trend at the canner level. Exceptions were stocks of grapefruit segments, which were lower on June 1 than a year earlier, and applesauce and pineapple, which were in greater supply.

Juices—Distributors' stocks of grapefruit juice and orange juice were reduced 3 to 7 percent below their year-ago levels, while stocks of citrus blend and pineapple juice increased in the same period.

Canners' stocks of all four juices covered in the June 1 survey were substantially higher than a year earlier.

Item	June 1 1956	April 1 1957	June 1 1957
	(thousands of actual cases)		
Vegetables:			
Beans, green and wax	2,909	2,822	2,727
Corn	3,835	4,188	3,785
Peas	3,155	3,596	3,117
Sauerkraut	672	608	588
Fruits:			
Apples	446	450	451
Applesauce	1,260	1,219	1,140
Apricots	701	710	634
Cherries, RSP	536	516	367
Cherries, sweet	295	n. a.	236
Fruit cocktail [a]	1,462	1,515	1,506
Grapefruit segments	454	462	473
Peaches	2,956	3,276	2,981
Pears	1,113	1,169	1,147
Pineapple	1,850	1,790	1,826
Plums	293	n. a.	351
Juices:			
Citrus blends	501	490	513
Grapefruit	1,077	971	1,045
Orange	1,319	1,270	1,224
Pineapple	1,074	1,557	1,487
Fish:			
Maine sardines	160	295	230

n. a.—not available.
[a] Includes fruits for salad and mixed fruits (except citrus).

1957 Canning Trade Almanac

The 1957 edition of the *Canning Trade Almanac*, comprehensive reference manual on the canning industry, has been issued. This year's edition, comprising 444 pages, contains a number of new features.

Principal addition is a 60-page directory section which lists the names, addresses and products packed by members of the state and regional canners associations, with membership in the N.C.A. indicated. The list constitutes a buyers' guide to canned, frozen, and preserved foods.

Another major change this year is in the statistical section. With the assistance of the N.C.A., standard cases of canned vegetables are presented on the basis of 24/303's. Also included are data about the canning industry from the 1954 Census of Manufactures.

The *Almanac* also contains all of the basic material—food law, standards, grades, packaging section, and raw products data.

Copies of the 1957 *Almanac* are sold by The Canning Trade Almanac, P. O. Box 248, Westminster, Md., for $3 each.

American Weekly

"Picnics Are Fun for Everyone!" was the title given to food editor Amy Alden's section in *The American Weekly*, Sunday supplement magazine distributed throughout the country with leading metropolitan newspapers. Four full pages of color photographs, menus, and recipes were featured in the June 23 section, and canned foods played an important part in them.

The special out-of-door food section was made up of four picnic menus, each attractively pictured in large color photographs and accompanied by simple recipes.

For children menu: Canned deviled ham, pineapple and ripe olives were used.

For the teeners menu: This special picnic began with canned vegetable juice cocktail and included catsup, frankfurters, pimientos, tuna, cranberry sauce, and apple, cherry and peach pie fillings.

For party guests menu: Canned ham decorated with canned peach and pineapple halves highlighted this menu, which also used canned grapefruit juice, mushrooms, ripe olives, and tomato soup.

For families menu: Canned deviled ham, pimientos, ripe olives, apple juice, and pork and beans were used in an outdoor meal that had picnic steak or pineapple broiled spareribs as the main dish.

Household

"Supper's Simple with a Can of Soup" is the title given to one of the articles in the July *Household* magazine.

Author Lorraine G. Baur begins, "With several cans of soup in your cupboard zesty suppers are not work at all! Canned soup doubles as a quick, ready-to-use cream sauce for chowders, casseroles or souffles." Black and white photographs, illustrating the article, show dishes prepared with three of the seven recipes.

Canned soups included in the recipes are consomme, chicken, tomato, cream of mushroom, cream of chicken, and bean-bacon. In addition, canned chicken, tuna, ripe olives, and corn are used.

Pineapple Growers Association

The Pineapple Growers Association of Hawaii elected the following officers recently at the association's 14th annual meeting:

President—Elvon Musick, San Francisco (reelected); vice presidents—D. W. Edwards, Hawaiian Fruit Packers, Ltd., Kapaa, Kauai, T. H.; E. B. Woodworth, Hawaiian Pineapple Co., Ltd., San Jose, Calif.; L. V. Hass, Libby, McNeill & Libby, Honolulu, T. H.; and R. L. Cushing, Honolulu, T. H. (reelected); secretary—C. L. Queen, San Francisco (reelected); treasurer—J. G. McIntosh, Alexander & Baldwin, Ltd., San Francisco (reelected).

Defense Against Radioactive Fallout on the Farm

How farmers can protect themselves against radioactive fallout in event of a nuclear attack is highlighted in a new USDA bulletin, *Defense Against Radioactive Fallout on the Farm*. The information deals with fallout as it relates to wartime emergency conditions, with recommendations of scientists, engineers, public health officials, civil defense authorities, and other specialists.

Copies of *Defense Against Radioactive Fallout on the Farm* (Farmers' Bulletin No. 2107) may be obtained without charge from the Office of Information, U. S. Department of Agriculture, Washington 25, D. C.

Forthcoming Meetings

July 8-19—Indiana Canners Association, Annual Mold Count School, Purdue University, Lafayette

July 18-19—National Kraut Packers Association, 50th Annual Convention, Catawba Cliffs Beach Club, Port Clinton, Ohio

June 26-29—Processed Apples Institute, Inc., 4th Annual Meeting, The Greenbrier, White Sulphur Springs, W. Va.

July 22-24—National Macaroni Manufacturers Association, 53rd Annual Convention, Grand Hotel, Mackinac Island, Mich.

July 31-Aug. 9—New York State Canners and Freezers Association, 17th Annual Mold Count School, Experiment Station, Geneva.

Aug. 5-7—International Apple Association, Inc., 63d Annual Convention, Cincinnati, Ohio

Oct. 10-12—Florida Canners Association, 26th Annual Meeting, Americana Hotel, Bal Harbour

Oct. 20-23—National Association of Food Chains, 24th Annual Meeting, Sheraton Park and Shoreham Hotels, Washington, D. C.

Oct. 28-31—National Industrial Packaging & Handling Exposition of 1957, Convention Hall, Atlantic City, N. J.

Nov. 4-6—Iowa-Nebraska Canners Association, Annual Meeting, Hotel Fort Des Moines, Des Moines

Nov. 7—Illinois Canners Association, Fall Meeting, LaSalle Hotel, Chicago

Nov. 11—Tennessee-Kentucky Canners Association, Annual Convention, University of Tennessee, Knoxville

Nov. 11-12—Wisconsin Canners Association, 53d Annual Convention, Schroeder Hotel, Milwaukee

Nov. 20-22—Indiana Canners Association, Fall Meeting, French Lick-Sheraton Hotel, French Lick

Nov. 21-22—Michigan Canners and Freezers Association, Fall Meeting, Pantlind Hotel, Grand Rapids

Nov. 24-25—Pennsylvania Canners Association, 43rd Annual Convention, Yorktowne Hotel, York

Dec. 4-6—Tri-State Packers Association, Annual Convention, Lord Baltimore Hotel, Baltimore, Md.

Dec. 5-6—New York State Canners and Freezers Association, 72d Annual Convention, Hotel Statler, Buffalo

Dec. 9-10—Ohio Canners Association, 50th Annual Convention, Neil House, Columbus

Dec. 9-10—Ontario Food Processors Association, Annual Meeting, Royal York Hotel, Toronto, Ont.

Dec. 14—National Food Sales Conference, National Food Brokers Association, The Conrad Hilton, Chicago

Jan. 6-8—Northwest Canners and Freezers Association, Annual Convention, Olympic Hotel, Seattle

Jan. 9-10—Canners League of California, 35th Annual Fruit and Vegetable Sample Cuttings, Fairmont Hotel, San Francisco

Jan. 20-23—NATIONAL CANNERS ASSOCIATION and Canning Machinery and Supplies Association, 51st Annual Convention, Atlantic City, N. J.

Jan. 27-29—Canadian Food Processors Association, Annual Convention, Seigniory Club, Montebello, P. Q.

March 2-5—National Association of Frozen Food Packers, Annual Convention, The Conrad Hilton, Chicago

March 21-22—Utah Canners Association, 46th Annual Convention, Hotel Utah, Salt Lake City

March 24-25—Canners League of California, 54th Annual Meeting, Santa Barbara Biltmore, Santa Barbara

April 20-23—U. S. Wholesale Grocers Association, Grocery Distribution Exposition, Kiel Auditorium, St. Louis

May 4-7—Super Market Institute, Annual Convention and Exposition, Cleveland

June 8-12—National Association of Retail Grocers, 59th Annual Convention, New York

Study of Grade Relationships Of Fresh and Canned Tomatoes

The relationship between official grades of raw tomatoes and the processed products has been measured in a study in Ohio.

Known grades of raw tomatoes of Rutgers and Stokesdale varieties were processed under pilot plant conditions using acceptable commercial practices, and the grade of the finished product was determined by a Processed Products Inspector in accordance with the U. S. standards to study this grade relationship.

The study was conducted during 1949 through 1952. Results were published in the Ohio Agricultural Experiment Station Research Bulletin 781, in October, 1956. Following is a summary of the major results:

"(1) The relationship of raw product grade to processed product grade shows that a processor can expect to pack Grade A or Fancy tomatoes from 90 percent or better U. S. No. 1 tomatoes.

"(2) The relationship of raw product grade to processed product grade shows that a processor can expect to pack Grade C or Standard tomatoes from Low U. S. No. 2 tomatoes.

"(3) The reasons for the inability to obtain a higher grade of finished product from the lower grades of raw stock are color and drained weight. Under the pilot plant conditions used in this study, wholeness and defects were not important factors of grade. This was due to good quality control practices used in the pilot plant in the peeling and coring of tomatoes.

"(4) For any equivalent raw product quality the Stokesdale variety was found to be inferior to the Rutgers variety. This was due to poorer color retention and lower drained weight scores.

"(5) When the raw product was graded on the basis of the U. S. Standards for Tomatoes for Manufacture of Strained Tomato Products, there were no significant differences found in the grades of the canned tomatoes packed from comparable qualities of U. S. No. 1 grade raw tomatoes.

"(6) Tomatoes cored by machine (Hydrout) were graded approximately the same as those cored by hand. However, machine coring increased production or reduced labor approximately 25 percent.

"(7) The use of calcium salts in the packing of tomatoes gave higher drained weight scores in the canned product."

Grades of Apple Butter

The Agricultural Marketing Service of USDA has revised U. S. standards for grades of apple butter, replacing those in effect since 1945.

Principal change is provision for a means of evaluating color. USDA has developed plastic color standards, for comparison with the product, and has incorporated them in the grade standards by reference.

The revised standards also adopt the FDA standards of identity for fruit butter as amended, and they establish a procedure for observing the product for defects.

The revision was published in the *Federal Register* of July 5 and will be effective 30 days thereafter.

Ratio Analysis

A 55-page booklet, *Ratio Analysis for Small Business*, highlighting the existence of ratios, methods of obtaining them, and ways of interpreting them, has been issued by the Small Business Administration.

The booklet was written by Richard Sanzo, Dun & Bradstreet executive, author and lecturer.

The term "ratio analysis" means the process of determining and presenting the ratios of items and groups of items so as to reveal favorable or unfavorable conditions and trends. The basic materials of ratio analysis are income statements, balance sheets, and a combination of the two.

Typical ratios discussed are rates of profit earned in various lines of business on sales and net worth; relationships of liabilities to capital; comparative inventory-turnover rates, and the average collection periods for accounts receivable and a better understanding of the relationships of costs to sales.

The booklet is No. 20 in the SBA's series of management publications and may be obtained from the Government Printing Office, Washington 25, D. C., for 25 cents a copy.

Shipments of Glass Containers

Shipments of glass containers for food during the first five months of 1957 have been reported by the Bureau of the Census, U. S. Department of Commerce.

	Jan.–May 1956	1957
	(thousands of gross)	
Wide-mouth food (including fruit jars and jelly glasses)	13,833	14,846
Narrow-neck food	5,019	5,213

Status of Legislation

Agricultural trade development—S. 1314 (Ellender of La.), to raise Title I authorizations from $3 billion to $4 billion and extend P. L. 480 to June 30, 1958, was passed by the Senate April 1 and by the House June 21. Conferees reached agreement July 2.

Alaska statehood—H. R. 7999, to provide statehood for Alaska, was reported by House Interior and Insular Affairs Committee June 25. S. 49, Alaska statehood, and S. 50, Hawaii statehood, were approved by Senate Interior Subcommittee July 1.

Defense procurement—S. 1537 (McClellan of Ark. and McCarthy of Wis.) and a number of companion bills in the House, to create a "Supply and Service Administration" in the Department of Defense for purchase and distribution of common supply items, in line with Hoover Commission recommendations, have been introduced and referred to Armed Services Committees.

FDA chemical additives—H. R. 6747 (Harris of Ark.) and S. 1895 (Hill of Ala.), the Administration-sponsored bill, and H. R. 8390 (Harris of Ark.) would regulate the use of chemical additives in foods. Hearings by House Commerce Subcommittee tentatively scheduled to begin in mid-July.

Fishermen's Protective Act—Bills to broaden protection of fishermen on the high seas were the subject of a hearing by a House Merchant Marine Subcommittee April 17.

Government contracts—H. R. 722, to amend the Robinson-Patman Act so as to make sales to nonprofit institutions for resale, subject to the Act, has been referred to House Judiciary Committee.

ICC agricultural exemption—S. 1689 (Magnuson of Wash.) and H. R. 5823 (Harris of Ark.), to amend the agricultural exemption in sec. 203 (b) (6) of the Interstate Commerce Act, have been introduced.

ICC private carrier definition—S. 1677 (Magnuson of Wash.) and H.R. 5825 (Harris of Ark.), to amend the definition of a private motor carrier, as recommended by the ICC, was the subject of hearings by the Senate Surface Transportation Subcommittee May 6-10.

ICC private carrier registration—S. 1490 (Magnuson of Wash.) and H. R. 5664 (Harris of Ark.), to require private motor carriers to register with the ICC annually, was approved by the Senate Surface Transportation Subcommittee April 12 and further action on the bill has been postponed indefinitely.

Marketing orders, cranberries—S. 1680 (10 Senators from 5 cranberry producing states) and other bills to amend the Agricultural Marketing Agreement Act so as to authorize marketing orders for cranberries for canning, were the subject of hearings by a Senate Agriculture Subcommittee April 20. N.C.A. opposes.

North Pacific Fisheries Act—S. 2212, to extend the area of federal control over net fishing of salmon and certain other fish, was passed by the Senate June 26. H. R. 7974 was approved by House Fisheries Committee July 2.

Packers and Stockyards Act—S. 1356 (O'Mahoney of Wyo.), to transfer antitrust jurisdiction over meat packing operations from USDA to FTC, was approved, without recommendation, by the Senate Antitrust Subcommittee June 21 and is pending before the Judiciary Committee. Similar bills will be subject of hearings by House Agriculture Committee July 9-10.

Potato marketing and labeling—A number of bills to prohibit the sale of potatoes of a lower grade than U. S. No. 2, under certain conditions, were the subject of hearings by the House Agriculture Committee April 15-16 and by the Senate Agriculture Committee May 21-22. N.C.A. opposes application to canning.

Poultry inspection—S. 1747 (Aiken of Vt.), providing for compulsory USDA inspection of poultry products, was passed by the Senate April 8. H. R. 6814 was reported by House Agriculture Committee May 20.

Premerger notification—H. R. 7698 (Celler of N. Y.), to require 60 days notice prior to merger of corporations having total book value of more than $10 million, was reported by House Judiciary Committee May 28.

Raw product bargaining—S. 1743 (Aiken of Vt.), to legalize organized bargaining for agricultural commodities under certain conditions, has been referred to Senate Agriculture Committee, which has requested USDA views; and H. R. 6799 (Bow of Ohio) and H. R. 7807 (Bentley of Mich.) have been referred to House Judiciary Committee. No action scheduled.

Robinson-Patman Act—S. 11 (Kefauver of Tenn.) and H. R. 11 (Patman of Tex.), to restrict the good faith defense against a charge of price discrimination, was approved without recommendation, by Senate Antitrust Subcommittee June 21 and is pending before the Judiciary Committee.

Small Business Administration—H. R. 7963 (Spence of Ky.), to make the SBA permanent and to revise its lending authority, was passed by the House, with amendments, June 25.

Sockeye Salmon Fishery Act—S. 1806, to amend the Sockeye Salmon Fishery Act of 1947 so as to extend regulatory authority of the International Pacific Salmon Fisheries Commission to include pink salmon, was passed by Senate May 22 and by the House July 1 and sent to the President.

Wage-Hour—S. 1853 (Kennedy), which includes proposal to eliminate overtime fishery exemption, was approved, without recommendation, by Senate Labor Subcommittee May 7. The Senate Labor Committee considered the bill in executive session on May 22, May 28, June 5 and June 25-26 but took no final action. House bills were considered by House Labor Subcommittee in executive session June 3, June 14, and June 18-20.

Waste disposal—H. R. 1082 (Byrnes of Wis.), H. R. 2463 (Lipscomb of Calif.), and H. R. 4134 (Simpson of Pa.), to allow rapid amortization of waste disposal facilities and treatment works, have been introduced. N.C.A. supports the proposal, which is before House Ways and Means Committee.

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